

IN THE UNITED STATES DISTRICT  
COURT FOR THE DISTRICT OF MARYLAND

IN RE: SAFENET

\*

DERIVATIVE LITIGATION

\*

Civil Action No.: 1:06-cv-01408 BEL  
(Lead Case)

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**STIPULATION OF COUNSEL AND [PROPOSED] ORDER**

WHEREAS, on or about May 27, 2006, the Board of Directors of SafeNet, Inc. (“SafeNet”) formed a special litigation committee (the “SLC”) to investigate, inter alia, the claims alleged in the derivative complaints filed herein;

WHEREAS, the Plaintiffs and SafeNet have previously stipulated and agreed to two stays of this Consolidated Action for a period while the SLC conducts its investigations and the Court approved these stays on August 2, 2006 and on November 7, 2006; and

WHEREAS, while the SLC investigation is substantially complete, the parties have commenced discussions with respect to potential settlement of the action;

NOW, THEREFORE, Plaintiffs and SafeNet, acting by and through their respective counsel, hereby stipulate and agree as follows:

1. In order to allow additional time for the SLC to complete its investigation and for the parties to discuss a potential resolution of this action, this Consolidated Action shall be stayed through and until March 31, 2007;

2. Plaintiffs hereby agree and acknowledge that, during the pendency of the stay as provided herein, no defendant shall be required to answer or otherwise respond to any of the complaints filed herein;

3. Nothing in this Stipulation and Order shall limit SafeNet's or the SLC's right to move the Court for additional time for the SLC to complete its investigation beyond the period specified in paragraph 1 above. Nothing herein shall limit Plaintiffs' right to oppose an extension of the stay beyond the period specified in paragraph 1 above.

DATED: January 18, 2007

\_\_\_\_\_/s/\_\_\_\_\_  
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*Attorneys for Nominal Defendant, SafeNet, Inc.*

SO ORDERED this \_\_\_\_\_ day of January, 2007.

\_\_\_\_\_  
United States District Judge